Federal Ministry
for the Environment, Climate Action,
Nature Conservation and Nuclear Safety

IKI INTERNATIONAL CLIMATE INITIATIVE

IKI – Large Grants (ILG) 2026

Funding announcement for the selection of projects under the German International Climate Initiative (IKI)

Published: 17 November 2026

Table of contents

1 List of abbreviations 2

2 Preface 3

3 Funding objective, purpose of funding, legal basis 4

3.1 Funding objective and purpose 4

3.2 Legal basis 5

4 Scope, geographical framework, and financial framework of funding 6

4.1 Scope of funding 6

4.2 Thematic and country priorities 6

5 Grantee 8

5.1 Requirements for all implementing organisations 8

5.2 Requirement: Implementation as a consortium 8

5.3 Requirements for the lead organisation 9

6 Type, scope, and amount of the IKI grant 10

6.1 Type of IKI grant 10

6.2 Amount and duration of the IKI grant 10

6.3 Type of financing 10

6.4 Eligible expenses 11

7 Other regulations on grants 12

8 Selection and funding procedure 14

8.1 Outline phase 14

8.2 Proposal phase 15

9 Formal and technical requirements for the project outline 17

9.1 Partner countries/regions 17

9.2 Technical requirements for project outlines 18

10 Contact details of the project management agency 23

Annex 1: IKI selection criteria 24

Annex 2: Cooperation agreement 28

Annex 3: Local Action – Classification as “local” organisations 29

Annex 4: Template for letter of support 30

Annex 5: Provisions on the handling of emission mitigation credits in the IKI 31

1 List of abbreviations

AA	German Federal Foreign Office [Auswärtiges Amt]
ANBest-P	Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung [General Auxiliary Terms and Conditions for Grants for Project Funding]
BHO	Federal Budget Code
BMUKN	Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety
CBD	Convention on Biological Diversity
CET	Central European Time
CMA	Conference of the Parties serving as the Meeting of the Parties to the Paris Agreement
COP	Conference of the Parties
DAC	Development Assistance Committee
GBF	Kunming–Montreal Global Biodiversity Framework
GHG	Greenhouse Gases
IATI	International Aid Transparency Initiative
ICM	Independent Complaint Mechanism
IFC	International Finance Corporation
IKI	German International Climate Initiative
ILG	IKI Large Grants
IPLC	Indigenous Peoples and Local Communities
ITMOs	Internationally Transferred Mitigation Outcomes
LTS	Long-Term Strategies
MCU	Mitigation Contribution Units
MRV	Monitoring, Reporting and Verification
NAPs	National Adaptation Plans
NBSAPs	National Biodiversity Strategies and Action Plans
NDCs	Nationally Determined Contributions
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
SDGs	Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
PA	Paris Agreement
PACM	Paris Agreement Crediting Mechanism
VCM	Voluntary Carbon Market
VV	Administrative Regulations [Verwaltungsvorschriften]
VwVfG	German Administrative Procedures Act [Verwaltungsverfahrensgesetz]
ZUG	Zukunft – Umwelt – Gesellschaft gGmbH

2 Preface

Global climate action has reached a critical juncture. Scientific findings make it clear that limiting global warming to 1.5°C, protecting biodiversity, and adapting to the consequences of climate change are tasks that cannot be postponed by the international community. Current developments show an increasing frequency of extreme weather events, the loss of habitats, and the need for socially just transformations that are both ecologically and economically sustainable.

The global challenges are enormous. But there are also increasing signs of positive change. The global expansion of renewable energy, particularly solar and wind power, has reached an all-time high. Major progress is also being made in storage technologies and the electrification of the transport sector. Investments in nature restoration projects, reforestation, and marine ecosystem protection are beginning to show results, particularly in terms of conserving biodiversity. These developments demonstrate that ambitious climate action is effective and that the transition to a sustainable future is already under way. Securing and advancing these positive developments requires reliable, sustainable financing for climate and biodiversity conservation measures. These issues are on the agenda for global negotiations at UNFCCC COP31 and CBD COP17.

Particular attention is being paid to mobilising extensive financial resources, especially through the increased involvement of the private sector. Only an effective combination of public funding and private investment can enable the necessary measures to mitigate greenhouse gas emissions, adapt to climate change, conserve and restore natural carbon sinks, and protect biodiversity on the scale and with the depth of impact required.

Through the IKI Large Grants funding instrument, Germany is helping to ensure that these positive developments are effectively advanced. The IKI Large Grants enable the funding of large-scale, transformative projects that can support systemic change at the global, regional, national, and subnational levels. The IKI Large Grants Ideas Competition takes place annually based on the funding announcement published each year.

The IKI Large Grants Ideas Competition 2026 is launched on the basis of this funding announcement as part of COP31 in Antalya, Türkiye. The pre-launch took place at the CBD COP 17 in Yerevan, Armenia. We invite all international organisations, civil society actors, and representatives from the private sector to submit their innovative and impact-oriented project ideas and, together with the IKI, to break new ground for sustainable, climate-friendly change.

3 Funding objective, purpose of funding, legal basis

3.1 Funding objective and purpose

With the International Climate Initiative (IKI), Germany fulfils part of its financial commitments under the United Nations Framework Convention on Climate Change (UNFCCC), the Paris Agreement (PA – adopted by the "Act on the Paris Agreement of 12 December 2015" of 28 September 2016) as well as the Convention on Biological Diversity (CBD) with the Kunming–Montreal Global Biodiversity Framework (GBF).

The IKI is a key element of Germany's financing of measures for climate action, adaptation to the impacts of climate change, and biodiversity conservation in countries of the Global South. In order to achieve the objectives of limiting the loss of biodiversity and keeping the 1.5°C target within reach, all countries around the world must undergo a transformation towards greenhouse gas-neutral and biodiversity-friendly societies. With the "IKI Strategy 2030", the IKI has defined four strategic objectives to provide its partner countries with the best possible support for the necessary transformation:

- **Ambition raising**: More ambitious Nationally Determined Contributions (NDCs), National Adaptation Plans (NAPs) and National Biodiversity Strategies and Action Plans (NBSAPs)
- **Improved framework conditions** for cross-sectoral or sector-transforming measures for climate action, biodiversity conservation, and climate change adaptation
- **Implementation** of climate change mitigation, biodiversity, and/or climate change adaptation measures through piloting and scaling
- **Leveraged private finance**: The IKI is mobilising for climate action, biodiversity conservation, and/or climate change adaptation in its partner countries

In IKI partner countries, the funding programme thus makes a medium- and long-term contribution to:

- **Mitigation of greenhouse gas emissions:** Contributions to direct and indirect emissions reductions
- **Integrity of ecosystems:** Improving the integrity of terrestrial or marine ecosystems through their protection, restoration, and sustainable use
- **Strengthening of climate resilience:** Improving the resilience of people and ecosystems to the effects of climate change

Through its IKI Large Grants funding instrument, the IKI provides funding for large-volume projects designed to accelerate the transition towards a sustainable, biodiversity-friendly, and low-carbon economic and supply structure.

By systematically integrating a gender dimension, the IKI fulfils national and international obligations under the 2030 Agenda for Sustainable Development, the UNFCCC (Enhanced Lima Work Programme on Gender), and the Convention on Biological Diversity (CBD, Gender Plan of Action). In addition, the IKI is guided by the Paris Agreement, which calls on contributing countries to promote gender justice and the empowerment of women in all climate action measures. The IKI values are also reflected in the safeguards, funding exclusion criteria, and Independent Complaint Mechanism. These are binding and apply equally as a commitment on the part of the donor when making funding decisions as well as to all funded projects.

Through the IKI Large Grants funding instrument, the IKI funds primarily large-volume projects in order to accelerate the transformation towards a sustainable, biodiversity-friendly, and low-emission economic and supply structure. In particular, the following overarching goals are pursued:

- The legal framework at the national and sub-national level in partner countries is designed to strengthen emission reduction, adaptation, and/or biodiversity conservation as well as their implementation across sectors.
- The governments of partner countries have appropriately increased the ambition of their climate and biodiversity commitments in NDCs, NAPs, NBSAPs, and/or Long-Term Strategies (LTS).
- The IKI makes medium-term contributions to both direct and indirect emission reductions in partner countries.
- People affected by climate change in IKI partner countries are supported in their adaptation to the impacts of climate change.
- Ecosystems in IKI partner countries, including coasts and marine areas, are subject to improved conservation practices and sustainable use.
- The IKI leverages several times the amount of its own invested funds to finance climate and biodiversity measures from the public and private sectors.

Taking into account the aforementioned overarching goals, the projects address specific barriers to the implementation of partner countries' NDCs, NAPs, and NBSAPs.

3.2 Legal basis

The Federal Government of Germany shall award grants according to the provisions of this funding announcement, Sections 23 and 44 of the Federal Budget Code (Bundeshaushaltsordnung, BHO) and the general Administrative Regulations (Verwaltungsvorschriften, VV) issued in connection with this. There is no entitlement to an IKI grant. Instead, the granting authority shall reach a decision based on its due discretion within the framework of the budget available.

In general, projects implemented by organisations based in Germany and abroad receive funding through grants. Fund deposits are not permitted under the IKI Large Grants (ILG).

Sections 48 to 49a of the German Administrative Procedures Act (VwVfG), Sections 23 and 44 of the Federal Budget Code (BHO), and the general administrative regulations issued in this regard shall apply to the approval, disbursement, and accounting of the IKI grant as well as to the proof and examination of its use and, if necessary, the revocation of the grant notification and the reclaiming of the grant awarded. The Federal Audit Office of Germany is entitled to audit in accordance with Sections 91, 100 BHO.

The annexes attached to the funding announcement are binding components of this funding announcement. They provide detailed information on many aspects and steps in the application process. Performance monitoring is carried out at programme and project level, taking into account the IKI guidelines on project planning and monitoring.

4 Scope, geographical coverage, and financial framework of funding

4.1 Scope of funding

Through the IKI Large Grants, the IKI finances climate, adaptation, and biodiversity projects in ODA[1]-eligible countries. It focuses on the IKI priority countries as well as on other countries that demonstrate particular ambition (e.g. as part of a Just Energy Transition Partnership or as a member of the Climate Club) or are particularly relevant to the IKI funding areas (e.g. key areas of biodiversity). Projects are funded if they pursue a multi-level approach and, above all, demonstrate in concrete terms how climate action, adaptation, and biodiversity conservation are implemented in practice (including through policy advice, capacity development, technological cooperation, investments/financial mechanisms, and/or implementation in urban and peri-urban areas). This IKI Large Grants Call addresses current challenges in climate action, adaptation, and biodiversity conservation that are related to ongoing international climate and biodiversity negotiations. With the "IKI Strategy 2030", bilateral projects are once again regaining prominence in order to make greater implementation successes visible. The following thematic and country priorities set out specific objectives and preferred geographical scopes in response to these requirements, for which project outlines may be submitted. The funding volume per project can range from EUR 7 to 15 million depending on the thematic and geographical focus.

4.2 Thematic and country priorities

One of the requirements for funding is that the submitting organisation assigns its project outline to one of the following nine thematic or country priorities.

Country priorities:

1. Accelerating the transformation of Türkiye's building sector through energy efficiency, renewable energy and circular, low-carbon construction
2. Accelerating Thailand's transition to carbon-neutral and circular steel production

Thematic priorities:

3. Electrifying industrial processes and improving energy efficiency in industrial clusters and parks
4. Strengthening energy security by transitioning away from fossil fuels
5. Mobilising the private sector for climate adaptation
6. Strengthening climate resilience and promoting peace[2]
7. Strengthening legal certainty and action against illegal deforestation – uncovering environmental crime
8. Advancing integrated biodiversity and climate action through coordinated governance and finance

[1] ODA (Official Development Assistance) is an internationally recognised measure of official development assistance agreed by the OECD Development Assistance Committee (DAC). Only assistance to countries included in the DAC country list is eligible for ODA. The country list is regularly revised by the DAC.

[2] The Federal Foreign Office is responsible for this thematic priority.

9. Carbon tides: Protecting and restoring natural marine carbon sinks for biodiversity and climate action

The thematic and country priorities' requirements for project outlines are explained in detail in a dedicated document (see Thematic and Country-Specific Priorities for IKI Large Grants 2026).

5 Grantee

5.1 Requirements for all implementing organisations

Eligible organisations

The following organisations are welcome to apply:

- non-governmental organisations
- universities and research institutions
- international intergovernmental organisations and institutions (such as development banks)
- United Nations organisations and programmes
- private companies as well as economic sector and trade associations

In accordance with VV No. 1.2 Section 44 BHO, grants may be awarded only to implementing organisations that appear to be properly managed and are able to provide evidence that the funds have been used as intended.

Non-eligible organisations

IKI funding may not be used to finance government activities. National governments are therefore generally not eligible organisations. This includes, in particular, the highest national public administration bodies in a country (national ministries and/or the presidential office of a country). Exceptions are permitted only in well-founded cases.

Regional administrative authorities and subordinate authorities are not categorically excluded from IKI funding/financing but may receive earmarked project funds. This will be assessed on a case-by-case basis.

Legally independent, state-owned public service companies are generally eligible for funding.

Compliance with applicable sanctions

As an applicant and a grantee, the implementing organisation undertakes to comply with all applicable EU and UN sanctions regimes as well as applicable sanctions of the Federal Republic of Germany. If the applicable sanction regulations are violated, the IKI grant can be reclaimed in full or in part.[3]

5.2 Requirement: Implementation as a consortium

One prerequisite for funding is the **application as a consortium** (i.e. an association of at least two organisations). When establishing a consortium, it should be taken into account that the coordination effort increases considerably with the number of consortium members. For this reason, bilateral projects may be carried out by a maximum of four consortium partners, and regional or global projects are to be implemented by a maximum of six consortium partners (including the lead organisation). The consortia must designate a lead organisation. IKI projects are generally expected to implement at least 50% of the funding through local actors in the partner countries/regions (see also the IKI Local Action Regulation).

The **lead organisation** will be the initial grant recipient. It is the sole recipient of direct payments from the IKI and is responsible for the budgetary implementation of the project as well as for its

[3] Applicable sanctions can be viewed on the EU sanctions map.

reporting system. The forwarding of grants to consortium partners is done in accordance with the relevant provisions of VV No. 12 Section 44 BHO and based on subgrant agreements, which the lead organisation concludes with each consortium partner individually (for more information and subgrant agreement template, see here). In addition, a cooperation agreement must be concluded with all consortium partners (see Annex 2: Cooperation agreement). As far as possible, the main features of the cooperation agreement should already be agreed upon between the consortium partners when drafting the project outline.

The lead organisation is obliged to review the project progress of all participating consortium partners (organisations receiving sub-grants) and other implementation partners over the entire project duration and to integrate this into the reporting. The type and scope of this inspection as well as a possible obligation to submit inspection notes are regulated in the Project Agreements or grant award documents depending on the underlying legal relationship between the donor and the recipient.

The lead organisation must prove its **access to the stakeholders relevant for the project** in the respective partner country directly or via the consortium partners. It is welcomed if projects ensure appropriate diversity in the consortium (e.g. IPLC organisations) and among contractors in order to better involve target groups and other diverse actors, particularly at the local level, and to increase the sustainability of the project. In line with the IKI Gender Strategy in the context of climate and biodiversity, the involvement of organisations in the partner country that are committed to social and gender justice is particularly welcome. The involvement of these organisations should contribute to a gender-responsive and inclusive as well as, where possible, gender-transformative project planning and implementation.

The **roles, tasks, and responsibilities within the consortium** must be clearly presented and reflect the strengths of the individual consortium partners. Roles and responsibilities should also be distributed in a way that ensures the project is sustainably established in the partner country or region. Accordingly, roles in the implementation should be assigned to local organisations wherever possible. The total funding must be divided clearly and appropriately between the implementing organisations and contractors. Subcontracting is permitted if it is proven to be economically viable. The locally applicable public procurement laws must be applied.

5.3 Requirements for the lead organisation

Turnover criterion

The average annual IKI funding volume of the proposed project may not exceed the average annual turnover of the lead organisation. The certified annual financial statements for the last three financial years are used as the basis for this assessment.

Professional experience and regional expertise

The lead organisation must ensure that both the lead organisation and its consortium partners have the **necessary technical expertise, administrative capacity, and management capacity** to plan and implement the project.

The lead organisation must have been implementing international cooperation projects in the respective thematic area in ODA countries for at least five years. In addition, experience in the respective target region is required. The lead organisation must demonstrate this technical experience and regional expertise via references in the outline form.

6 Type, scope, and amount of the IKI grant

6.1 Type of IKI grant

For the implementation of the projects, grants may be awarded as non-repayable grants on an expenditure basis within the framework of project funding. **Cost-based grants to the lead organisation are excluded** because subgrant(s) are not permissible under subsidy law. Implementing organisations that are the final recipients of grants (i.e. subgrantees) have the possibility to receive funding on a cost basis, where appropriate (applicable only to organisations based in Germany).

6.2 Amount and duration of the IKI grant

Duration of the IKI grant

The maximum funding period for a project is eight years. A minimum duration is not specified. Funding may also be provided for a preparation phase of up to nine months to develop the project proposal. Funding for a preparation phase does not prejudge the decision on whether to approve the project proposal.

Amount of the grant

The funding volume provided by the IKI is **EUR 7 million to a maximum of EUR 15 million** per project. The specifications on the funding volumes defined in the specific thematic and country priorities apply. Exceeding or falling short of the permissible funding volume will lead to the exclusion of the project outline.

6.3 Type of financing

Financing is usually provided as partial financing. Thus, taking into account their financial capacity, the grantees must make an appropriate financial contribution (co-funding) to the purpose for which funding is provided.

The appropriate level of this financial contribution can only be determined on a case-by-case basis. Overall, it must be demonstrated that project financing can be secured based on the planned IKI grant, the lead organisation's own funds[4], and, if applicable, additional external funding[5].

Co-funding may be covered by external funding provided it does not consist of German federal funds. The breakdown of external funding must be set out in the project outline and proposal accordingly. External funds may also be provided by the subgrantees (consortium partners).

Cooperation with projects financed by other funding organisations is also possible.

[4] *Own funds are a financial contribution that is supplied directly from the grant recipient's (lead organisation) funds and is not sourced from other donors or third parties. Own funds consist solely of uncommitted financial resources.*

[5] *External funding refers to funds provided for the project by private entities or other public bodies (third-party grants). External funds consist solely of uncommitted financial resources.*

6.4 Eligible expenses

IKI funding is permitted only if the implementation of the project that forms the subject of the funding application would not be possible without public funding (**principle of subsidiarity**). Furthermore, projects can be funded only if the project has not yet started at the time of application.

All expenses required to meet the objectives of the project through sound, cost-effective financial management are eligible for funding. **Efficient spending** and the **economical use of funds** must be demonstrated during implementation.

Through the binding **IKI exclusion criteria** certain activities that are considered too risky for people and the environment are excluded from funding without exception (IKI exclusion criteria).

7 Other regulations on grants

The General Auxiliary Terms and Conditions for Grants for Project Funding (Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung – ANBest-P), as amended from time to time, are also part of a grant award document on an expenditure basis. In the case of grants to foreign implementing organisations, regulations corresponding to the General Auxiliary Terms and Conditions for Grants for Project Funding (Allgemeine Nebenbestimmungen für Zuwendungen zur Projektförderung, ANBest-P) become part of a private-law contract (sample grant agreement will be provided on the IKI website). Where grants are issued to multilateral development banks and international intergovernmental organisations, the model agreements negotiated with the Federal Republic of Germany apply.

In the proposal for funding, implementing organisations must agree that

- all documents submitted with the proposal or during the subsequent procedure are provided to the responsible federal ministry or the project management agency, the Federal Audit Office and the auditing bodies of the European Union upon request; the necessary information is provided; access to books and documents relating to the project as well as to audits is granted and the relevant documents are made available
- upon request the Budget Committee of the German Federal Parliament, other committees and members of the German Federal Parliament are informed about applications or grants
- the federal ministry responsible or its authorised representatives may disclose the name of the funded applicant, the funding amount, and the funding purpose as part of its public relations work
- the funding is to be recorded in a centralised federal system (funding database) on the basis of Section 44 Federal Budgetary Code (BHO) in conjunction with Administrative Regulation No. 9.1 and 9.2 on Section 44 BHO
- All data and evidence disclosed in connection with the funding:
    - may be stored on data carriers by the project management agency, the responsible federal ministry, or a body commissioned by one of them
    - may be further processed for the purpose of performance monitoring in accordance with Administrative Regulation No. 11a on Section 44 BHO
    - may be passed on to third parties which are bound to confidentiality and commissioned with an evaluation and further processed there by the responsible federal ministry
    - may be used and analysed for the purposes of processing and checking applications, compiling statistics, monitoring, scientific research, linking with official data, evaluation, and measuring the success of the funding instrument
- The anonymised or aggregated evaluation results can be published and forwarded to the German Federal Parliament as well as to German federal institutions and Institutions of the European Union.

In order to enable electronic processing, it must be ensured in advance that there is a possibility of legally secure electronic signature and delivery of funding documents.

Evaluation and transparency

The implementing organisations are obliged to provide all data required for the results-based monitoring and specified by the donor or a body commissioned by it. All projects selected as part of this procedure are generally subjected to an external mid-term evaluation as a key contribution to results-based monitoring. It is also possible for projects to be selected for a final evaluation or to be

analysed as part of cross-project evaluations. The implementing organisations are obliged to provide the necessary data and information to the responsible federal ministry, the project management agency, and the bodies commissioned to conduct the evaluations, and to designate staff with relevant project knowledge to participate in planned surveys, interviews, and other data collection activities. The data provided is processed in compliance with the General Data Protection Regulation (GDPR). Evaluation results are published on the IKI website in compliance with all data protection regulations (see IKI website).

The federal ministry responsible publishes comprehensive project information on ongoing and newly committed IKI projects in climate and biodiversity conservation on a quarterly basis in accordance with the **IATI standard** (see also: IATI data). The implementing organisations must agree that the federal ministry responsible or its agents may submit project-specific information to the IATI platform as part of their reporting.

Provisions on the handling of emission mitigation credits in the IKI

As part of the IKI, the German Government is promoting the further development and piloting of market-based instruments under Article 6 of the Paris Agreement. The Article 6.4 crediting mechanism of the Paris Agreement (PACM) is also intended to serve as a quality benchmark for cooperation under Article 6.2 and for the voluntary carbon market (VCM). However, the use of the carbon market as a source of funding in IKI projects must be done within certain limits and guidelines.

In principle, ODA funds must not be used to generate emission mitigation credits[6] that can be used on the **compliance market** to meet international mitigation targets outside the project country. The additionality of greenhouse gas reductions and the ODA-eligibility of the IKI funds must be ensured. Thus, emission reductions financed by IKI funds must not generate **internationally transferable and tradable mitigation credits** that are used for the achievement of targets by states or companies in international compliance systems such as CORSIA. Nevertheless, the additional emission reductions achieved in a partner country can be used as part of its **ambition raising** compared with its current NDC target (e.g. within the framework of Mitigation Contribution Units (MCUs) under Article 6.4 of the Paris Agreement). This requires corresponding agreements with the partner country.

In principle, the more comprehensive IKI requirements on the handling of mitigation credits set out in **Annex 5**, including the requirements for the VCM and for technical and natural carbon sinks, must be complied with.

IKI Independent Complaint Mechanism

The IKI implementing organisations are obliged to inform their target groups as well as affected target groups in the project area about the Independent Complaint Mechanism (ICM) of the IKI in an appropriate manner as part of their project implementation. In the event of negative impacts caused by projects funded by IKI resources, it must be ensured that the incident is reported to the IKI Office immediately (ideally within three working days). If a complaint is submitted to the IKI ICM, there is an obligation to cooperate with the ICM.

[6] This certifies an emission reduction (converted into CO_2 equivalents) that results from either an additional reduction in greenhouse gas emissions or the removal of greenhouse gases (compared with the baseline). These certificates should not be confused with emission allowances, which are traded in an emission trading system and are subject to a "cap". For the sake of clarity, we use the term (emission) mitigation credits here.

8 Selection and funding procedure

8.1 Outline phase

The procedure for selecting projects takes place in two phases: the outline phase and the proposal phase. Participation in the ideas competition as part of the outline phase is open to German and international grantees as well as to contractors in the form of implementing organisations of the German Federal Government. Further information for German federal implementing organisations regarding participation in the ideas competition is provided in a separate document (see information for German federal implementing organisations).

The IKI Office at Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH has been commissioned to support and administer the projects and to run the ideas competition under the ILG Call (see Contact the project management agency). The selection of the outlines and final approval of the project proposals are carried out by the federal ministries responsible for the IKI: BMUKN and AA.

Online seminar for interested organisations

On 8 December 2026 and 9 December 2026, online seminars in English with identical content will be offered to give interested organisations an idea of what makes a good project outline. In addition, further information on the selection process and subsequent procedures will be provided (see the IKI website).

Selection process

In a selection process, eligible outlines are evaluated based on selection criteria. Selection criteria are subdivided into minimum requirements and assessment criteria. If the minimum requirements are not fulfilled, the outline is automatically excluded. The assessment criteria serve as a basis for assessing the eligible outlines with different weightings (see Annex 1).

The federal ministry responsible makes a pre-selection of promising project outlines from all submissions that meet the minimum requirements. The responsible federal ministries, the project management agency, and the respective German embassy in the partner country are involved in this selection process. This pre-selection will also undergo a detailed external review based on the formal and technical assessment criteria described in the funding announcement. Based on all assessment results and the budget funds available, the federal ministry responsible shall decide which outlines will be pursued in the second phase of the procedure. As a rule, and within the available budget, one project outline is selected per thematic and country priority; in exceptional cases, two may be selected.

The country priorities were coordinated closely with the partner ministries in each of the respective priority countries. Project outlines for country priorities are also assessed and selected in close consultation with the ministries of the partner countries.

The project outline must be submitted **in due time, in full, and including all required documents** in English based on the IKI outline form exclusively via the IKI online platform.

The following deadline shall apply: **9 February 2027**. For this ILG Call, only project outlines that are complete and submitted by the deadline via the online platform by **2:00 pm (CET)** will be considered. Subsequent submissions are not possible in the ideas competition.

The project outline must be completed online, and the following documents must be uploaded in PDF format upon submission.

1. Project concept (max. 8 pages) in the template to be completed (download in the outline portal, IKI online platform)

2. Organisational chart explaining the consortium structure
3. Letters of support from the partner government for bilateral project outlines relating to thematic priorities (see the template in Annex 4). This is not necessary for country priorities.

Additional documents submitted (e.g. draft cooperation agreement) are not decisive for the selection process and will not be considered in the assessment of the outlines.

8.2 Proposal phase

The procedure for the proposal phase described below is aimed at applicants that, after successfully completing the outline phase, can apply for funding in the form of a grant by submitting a project proposal.

Briefing on outline selection, kick-off meeting

At the beginning of the proposal phase, all applicants whose outlines have been selected will be informed in writing of the outcome of the assessment and invited to submit a detailed project proposal. A kick-off meeting will also take place on a date to be agreed. The relevant regulations and sample templates are provided individually and can be found on the IKI website.

Optional preparation phase

If required, funding may be provided for a preparation phase to develop the full project proposal and work with relevant stakeholders to align the project as closely as possible with local needs. Applicants must explain in the project outline why a preparation phase is or is not necessary for preparing the project proposal. If the project outline includes funding for a preparation phase, the applicant must submit a corresponding project proposal for the preparation phase within five weeks of the kick-off meeting. The relevant regulations, model templates, and guidelines are provided on the IKI website. The applicant will be informed in writing of the review result of the donor.

The preparation phase and the results obtained are intended, in particular, to improve the quality of the project proposal, to ensure local anchoring and the political backing of the partner government(s), and to minimise enquiries during the initiation process. A preparation phase is particularly recommended if:

- the implementing organisation has no direct experience in implementing IKI projects
- project regions for local measures must be defined together with the partner country/countries
- a long-term project cooperation in the proposed consortium with the selected local partners has not yet taken place
- the success of the project depends particularly on cross-sectoral integration in the partner country/countries and the participation of local actors
- it is time-consuming to obtain the necessary detailed data for the project region in order to implement the overall project

The expenses incurred during the preparation phase are eligible for funding within the funds to be applied for the overall project and must therefore be taken into account accordingly when planning the total budget and the budget for the implementation phase respectively.

The duration of the preparation phase is estimated to be in addition to the maximum project duration of eight years (see also Duration of the grant). The preparation phase can take up to nine months. The period and activities of the preparation phase must be clearly distinguished from the

period and activities of the actual project implementation (implementation phase). During the preparation phase, only preparatory measures and not measures aimed at implementing project objectives are funded.

The final project proposal for the implementation phase drawn up during the preparation phase must be submitted electronically to the IKI Office at ZUG. Upon receipt of the detailed project proposal and any additional information that may be required, the final project proposal is reviewed by the IKI Office at ZUG and the responsible federal ministry, and funding is granted if the review result is positive.

Application phase without (optional) preparation phase:

If no preparation phase is planned, a detailed project proposal must be submitted electronically to the IKI Office at ZUG within five months of the kick-off meeting. Upon receipt of the detailed project proposal and any additional information that may be required, the final project proposal is reviewed by the IKI Office at ZUG and the responsible federal ministry, and funding is granted if the review result is positive.

Carrying out a gender analysis

In the application phase, a gender analysis carried out according to the minimum standards of the IKI must be submitted for all projects (see IKI Gender Guidelines). For projects with a preparation phase, the gender analysis should be carried out during this preparation phase; for all other projects, this should be carried out within the first six months of the start of the project.

9 Formal and technical requirements for the project outline

9.1 Partner countries/regions

ODA-eligibility and number of partner countries

All partner countries proposed for a project must be ODA-eligible by the deadline for submission of the project outline (see List of ODA-eligible countries). The number of countries addressed in the project outline must be limited to five in order to increase the impact in individual countries. Further restrictions may apply based on the requirements of the individual thematic and country priorities. If project outlines exceed or fall short of the number of partner countries defined in the thematic and country priorities, they are automatically excluded from the project selection process.

Geographical approach

The geographical approach describes the selection of the countries in which the project is to be implemented. The geographical approach is further specified in the respective thematic priority. Deviations from the specified geographical approach of the respective thematic priority will lead to the automatic exclusion of the project outline.

If the geographical approach is not further specified in the thematic priority, the following principles apply:

- Bilateral projects are projects implemented in one partner country. In accordance with the "IKI Strategy 2030", these projects are preferably selected in the IKI priority countries.
- Regional projects are carried out in two or more countries within the same geographical region. Unless otherwise stated in the thematic priority, these do not necessarily have to be adjacent. However, it is preferable to cover connected economic or natural areas.
- Global projects cover two or more countries spread across more than one continent. Global projects are eligible for funding only in exceptional cases and where the added value can be specifically justified.

In any case, the geographical approach (bilateral/regional/global) must be clearly explained. If the partner countries have not been clearly defined by the thematic priority, partner countries must be defined in the project outline. Project ideas concerning countries affected by conflict or with restrictions on foreign funding should address the risks to implementation. For conflict contexts, measures for conflict-sensitive project implementation must be presented.

Country priorities relate exclusively to bilateral projects in the IKI priority country specified in each country priority.

Links with other funding activities/avoidance of double funding

To take advantage of synergies and avoid double funding, **references to other funding instruments and priorities** must be taken into account with respect to planned, ongoing, and previous funding measures offered by the German Government and the European Union as well as the national and international funding institutions and programmes of other donors. Relevant databases (e.g. grant and procurement databases) must be used for this purpose. The more similar a planned project is to an ongoing/completed project in terms of its objectives, target groups, measures, and specific products, the more precise the distinction from or links with that project should be.

9.2 Technical requirements for project outlines

Project concept

In addition to the completed outline form, a project concept must be submitted to present the project idea (see also Deadlines and documents).

The requirements for the project outline and the project concept are listed below:

Thematic fit

The project outline submitted must **align** with the chosen **thematic or country priority**. Failure to meet the requirements of the thematic or country priority leads to the automatic exclusion of the project outline.

Climate and biodiversity relevance

Depending on the orientation of the thematic or country priority, the projects should support the partner countries in achieving the objectives of the Paris Agreement or the CBD and thus the GBF. The project outline should clearly demonstrate how the planned project activities contribute to the implementation or further development of the NDCs, the NAP process, or the NBSAPs.

SDGs

Projects should pursue a holistic approach in line with the 2030 Agenda and should take into account all relevant Sustainable Development Goals (SDGs) of the UN as well as possible conflicting goals. In particular, life cycle assessment methods, i.e. a holistic approach to resources, chemicals, and waste, should be consistently taken into account to do justice to the transformative approach of the 2030 Agenda towards greater sustainability.

Target groups

The project concept should clearly identify all target groups relevant to the project (groups involved in implementation and benefiting from project results) and clearly explain how the planned project activities can make a specific and visible contribution to solving current challenges faced by the target groups. Relevant target groups must be listed by gender and, where applicable, by other factors relevant to the project context such as age, socio-economic status, and IPLC affiliation. The project outline must explain how these stakeholders, particularly vulnerable groups (e.g. IPLC), and their concerns have been and will continue to be taken into account in project design and implementation (see also Chapter *9 Stakeholder Engagement* of the IKI Safeguards Policy). Depending on the context, private and public companies should be considered as target groups in the project concept in order to ensure cost-efficient achievement of IKI objectives and to build the capacities and structures needed to scale impacts beyond the project duration. It should also be outlined how knowledge is to be transferred to the respective target groups.

Political backing

The successful implementation of the projects requires the explicit interest of the governments of the partner countries in cooperating with the Federal Republic of Germany on climate action and biodiversity conservation. In the outline phase, an initial assessment is made with regard to political support.

To this end, the project outline must clearly demonstrate that the planned project activities are in line with the political priorities of the respective partner country and, if implemented, will be supported by the governments of the partner countries. It is recommended to indicate whether partner country governments and other key stakeholders have already been consulted on the proposed project concept during the outline preparation phase.

In the further process, the political endorsement is to be ensured by the implementing organisation together with the responsible federal ministry and the project management agency.

Letter of support for bilateral project outlines

For project outlines with only one partner country (bilateral project outlines), a letter of support from the respective partner government must also be submitted during the outline phase. Ideally, this should already be available when the project outline is submitted. Otherwise, this letter of support should be submitted upon request by the IKI Office[7].

Letters of support are not required for country priorities because the relevant partner ministry is directly involved in the selection of project outlines in these cases.

The letter of support should be issued by the national ministry responsible for project implementation in the sector concerned and/or by the ministry responsible for the UNFCCC climate negotiations or the CBD biodiversity negotiations (template for letters of support under Annex 4).

Letters of support can also be submitted for project outlines with more than one partner country (regional or global project outlines); however, these are not yet required when the project outline is submitted.

Alignment with national frameworks

Planned project activities must take into account the respective **political, economic, cultural, and legal framework conditions** in the partner countries/regions and must align with national/regional policies (including those beyond NDCs/NBSAPs/NAPs). This applies also to national strategies for gender equality.

To this end, existing global, regional, and national partnerships and collaborative mechanisms should also be used or contributions made to them (e.g. the NDC Partnership or the NBSAP Accelerator Partnership). Their contents, structures, processes, and networks in the respective country context can be used, for instance, in the context of publicly accessible information services and in coordination with the contact persons in the secretariats or on site.

[7] Emails from partner ministries confirming support for the project concept will also be accepted. In this case, the letter of support must be submitted at the latest at the kick-off meeting.

Local action criterion

IKI projects are explicitly expected to implement at least 50% of the total IKI funding (based on the funding amount requested by the applicant) through local actors in the partner countries/regions. Exceptions are possible in justified individual cases (see the exception provision in Annex 3) but do not establish any entitlement or precedent for other projects of the applicant organisation. Local actors are implementing organisations of the consortium as well as contractors that have their own legal personality according to the applicable national law of the partner country or, in the case of regional organisations, focus their activities on the respective project region (for more information, see Annex 3).

Beyond the implementation of funding, the project should use and/or further develop the technical and administrative capabilities of local organisations and increase local ownership and identification with the project. Close cooperation with local organisations in project planning and implementation is intended to contribute to local ownership, local capacity development, and project sustainability. The project concept for the outline and proposal phases must clearly set out the specific technical contribution of the local partners and the integrative approach of the consortium. For further information, see: How the International Climate Initiative (IKI) strengthens the local embedding of projects.

Ambition, transformation and innovation

The project must pursue **ambitious goals** in line with the IKI Strategy 2030 in the respective country and sector context and be designed to achieve **measurable changes**.

The **transformative character** of the project concept must be demonstrated by one or more of the following aspects:

- **Ambition:** The project will achieve and document a substantial and measurable improvement compared with a *business-as-usual* trajectory.

  The outline must demonstrate how the project is linked to and supports existing initiatives for carbon-neutral and/or biodiversity-conserving development in the partner country, at regional and/or global level.

- **Change:** The project brings about demonstrable systemic and/or behavioural changes among decision-makers or a number of individuals or institutions.

  The steps required to achieve this should be irreversible or very difficult to reverse and create "positive path dependencies" (e.g. through the large-scale development of climate-friendly infrastructure, the entry into force of new legal frameworks, or the leveraging of financing).

- **Model character:** The project operates transparently, is replicable through suitable public documentation, and evolves to have a scalable impact in other countries/regions and/or similar sectors.

The IKI promotes **innovative** approaches that offer new or partially new solutions to the challenges of mitigating climate change and biodiversity conservation. In this context, innovative means any technological, methodological, or social measure that has not been applied in the project region before or not in the same form. If the proposed project scales up a successful existing method, this can be regarded as an innovation.

Project planning

Projects must demonstrate the quality of their solutions by applying a results chain that contributes to the overarching goals of the IKI and follows the methodological guidelines of the Organisation for Economic Co-operation and Development (OECD). The results chain should be plausible in the relevant context and should present a sufficiently ambitious, **realistic, and detailed solution to the problem** addressed by the project. The proposed project activities should be realistic within the available budget and time frame. When planning projects, particular care must be taken to ensure that the annual budget planning is realistic. It cannot be assumed that unused funds will automatically be carried over in full to subsequent years.

Leveraged private finance

In line with the IKI strategic objectives, projects are explicitly encouraged to mobilise private capital from international, national, and local investors. In accordance with international OECD standards, this refers to private investment that is directly mobilised through specific public instruments such as risk-sharing mechanisms, guarantees, concessional financing, or other appropriate financing approaches and channelled into climate and biodiversity conservation. Projects can also make an indirect contribution by improving conditions for investment, increasing transparency, and reducing risks to private investment, thereby supporting the mobilisation of private capital in the long term.

Involvement of the private sector

In addition to leveraging private financing, projects are generally encouraged to involve the private sector, particularly as a target group. The private sector can be involved as a target group either directly or indirectly. Examples include improving framework conditions for private-sector activity, developing and promoting green business models, involving the private sector in the project's exit strategy, providing advice and training for companies, and involving business representatives in project workshops and events.

The private sector comprises all organisations that carry out profit-making activities and are predominantly privately owned. These include financial institutions and intermediaries, national and multinational companies, small and medium-sized enterprises, co-operatives, individual companies, and agricultural businesses. State-owned enterprises organised under private law (profit-oriented) are considered equivalent to private-sector organisations. Associations representing the interests of private companies or state-owned companies organised under private law are also treated in the same way as private-sector organisations. This applies regardless of whether these organisations are profit-making or charitable.

Sustaining project impacts after the end of funding (exit strategy)

The project outline must show how the project activities contribute to the **continuation** or maintenance of funded **activities and results by local actors after the end of the IKI funding**. Reference can also be made to the chosen consortium structure. During the last two years of the project duration, activities must focus on ensuring this ("**exit strategy**"). The private sector can play a key role in a successful exit strategy and should therefore receive greater consideration in the project concept, in line with the specific context. Additional funding at the end of the project or a project extension including additional funding is generally not envisaged.

Climate neutrality

When carrying out project activities and making investments using project funds, the implementing organisations are required to minimise greenhouse gas emissions as much as possible and use resources efficiently and in an environmentally responsible manner. This includes measures to prevent and reduce greenhouse gas emissions from business travel. If business trips cannot be avoided or the resulting greenhouse gas emissions reduced, offsetting is eligible for funding. When selecting

offset projects, emphasis should be placed on high-quality certificates (see: Voluntary carbon offsetting through climate action projects).[8]

Environmental and social standards

Systematically taking into account environmental and social standards within the IKI aims to prevent IKI projects from negatively impacting people and the environment. The IKI **implementing organisations** are expected to comply with the IKI Safeguards Policy and the Safeguards Standards of the Green Climate Fund (currently IFC Performance Standards). Possible environmental and social risks and planned safeguard measures must be outlined in the project outline. The risk category does not affect the project selection process as long as the safeguard measures are in line with the risk.

Gender strategy and the overcoming of discrimination

To support the IKI gender strategy, IKI projects should include specific measures that reduce gender-based disadvantages and discrimination while contributing to sustainable development. Based on this, the IKI supports projects with at least gender-responsive project planning and implementation (see also IKI Gender Guidelines). The IKI supports projects with a gender-transformative approach.

Similarly, IKI projects should contribute through their activities to overcoming social, cultural, geographical, political, legal, religious, racial, ableist, and/or economic discrimination and disadvantage.

[8] We recommend using certificates registered under Article 6.4 of the Paris Agreement with accounting under Article 6.2. "*Mitigation outcome units*" under Article 6.4 of the Paris Agreement can alternatively be used to strengthen the implementation of NDCs in countries of the Global South without using them to offset emissions.

10 Contact details of the project management agency

If you have any questions about the International Climate Initiative, the ILG Call, or the provisions of this funding announcement, please contact only the IKI Office of ZUG: The telephone consultation hours and contact form for the IKI Office are available on the IKI website.

Specific information and contacts on the following topics can be found on the IKI website:

IKI Gender Strategy	Contact via Gender Helpline
Independent Complaint Mechanism (ICM) of the IKI	Contact via the ICM office
IKI Safeguards – environmental and social standards	Contact via the IKI safeguards team
Impact and learning	Contact via the IKI SI Helpdesk
Local Action	Contact via the IKI Office
Emission credits	Contact via the IKI Office
Priority countries of the IKI	Contact via the IKI Office

Berlin, 17 November 2026

For the German Federal Government
represented by the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety

On behalf of
Andreas Kübler

Annex 1: IKI selection criteria

The projects are assessed and selected by the project management agency and the responsible federal ministries according to the following requirements:

Criteria			Explanations
! – Minimum requirements			
Both the minimum requirements and the assessment criteria are used to assess the outlines submitted. All minimum requirements that, if not met, will lead to the exclusion of the project outline from the selection process are marked with a "**!**".			
Formal eligibility of the project concept			
Funding requirements/financing requirements			
1	!	Submission in due time via online platform	The project outline was submitted in due time and via the IKI online platform.
2	!	Completeness of the documents	The documents were submitted completely and in accordance with the specifications.
3	!	Need for public funding	There is a need for public funding.
4	!	No early start of measures	The project implementation has not yet started before the submission of the outline.
5	!	Exclusion criteria	The project does not provide for any activities that are excluded from funding or financing in accordance with the IKI exclusion criteria.
Duration and amount of funding/financing			
6	!	Funding volume/ financing volume	The IKI funding volume or IKI financing volume proposed in the project outline is in line with the requirements specified in the respective thematic or country priority.
7	!	Project duration	The maximum project duration is eight years. Any necessary funding/financing of a preparation phase of up to nine months for the preparation of the project proposal is possible on application and does not count towards the project duration.
Project funding/project financing			
8		Financial contribution	The financial contribution of the lead organisation and/or the amount of additional funding (co-financing) are transparent and appropriate.
9		Leveraged private finance	The project is intended to help leverage private financing by either directly mobilising private funds as defined by the OECD or indirectly creating a framework conducive to investment.
10		Involvement of the private sector	The project aims (beyond leveraging private financing) to involve the private sector in the project (in particular as a target group).

Choice of partner country/countries			
11	!	ODA-eligible countries	The partner countries are on the list of ODA-eligible countries at the time the outline is submitted.
12	!	Partner countries	There is alignment with the potential partner countries of the respective thematic or country priority.
13		Appropriate geographical approach	The geographical approach of the project outline (regional/bilateral/global) is clearly justified.
14	!	Number of partner countries	The number of countries addressed in the project outline is limited to five.
Technical suitability of the project concept			
15	!	Objective of the thematic or country-specific focus	The planned project is technically suitable for achieving the specific objectives of the respective thematic or country priority.
Implementation context			
16		Relevance for the implementation of the NDCs/NBSAPs/NAPs	The planned project makes a relevant contribution to the implementation of NDCs/NAPs/NBSAPs.
17		Alignment with national/regional policies	The planned project aligns with other specific political and legal frameworks as well as policies and priorities in the respective region/country and makes use of existing partnerships.
18		Relevance for implementing the Sustainable Development Goals (SDGs) of the UN	The planned project follows the integrated approach of the 2030 Agenda and takes into account all applicable SDGs. Potential conflicting goals are taken into account.
19		Political backing/ Letter of support	The project outline indicates that the government of the partner country generally supports the planned project activities. Letters of support may be attached when submitting the project outline. However, these are only required for bilateral project outlines during the outline phase (except for country priorities).
20		Link to the project landscape/funding landscape; no double funding/financing	The planned project ties in with the existing local project landscape/funding landscape. Double funding is avoided.

Project planning			
21		Theory of change/results chain	The project outline demonstrates the quality of the problem-solving approach by applying the OECD results chain. The proposed solution approach is ambitious and can be realistically implemented within the selected time frame with the available budget.
22		Ambition and measurability	The planned project has ambitious goals for the respective project context and is designed for measurable results.
23		Transformation	The project should result in systemic and/or permanent behavioural changes among decision-makers or a substantial number of individuals or institutions.
24		Innovation	The planned project offers an innovative solution for a specific region.
25		Environmental and social risks, possible safeguard measures	Possible environmental and social risks as well as possible safeguard measures are presented in a comprehensible and appropriate manner. The commitment to comply with the Safeguards Standards is a funding or financing requirement.
26		Promotion of gender justice	The project concept provides for an approach that is at least gender-responsive and includes specific measures to counteract unequal gender roles, relations, and norms. These measures serve to implement the project objectives and are clearly recognisable in the results chain.
Target groups			
27		Participation and knowledge transfer to target groups	The project outline clearly explains how relevant target groups and their concerns have been and will continue to be included in project design and implementation. In addition, it is clearly presented how knowledge is to be transferred to the relevant target groups.
Sustainability and replicability of the project results			
28		Exit strategy	The project outline indicates how project activities contribute to ensuring that funded or financed activities and outcomes continue or are maintained once the IKI funding or financing ends (exit strategy).
29		Replicability	The planned project can be replicated in other countries/regions and/or in other sectors.

Criteria for implementing organisations			
Eligibility of the consortium			
30	!	Application as a consortium Number of consortium partners	The project outline provides for an application as a consortium comprising at least two organisations. Bilateral projects may be carried out by a maximum of four consortium partners and regional or global projects by a maximum of six consortium partners.
31		Local Action (50% rule)	At least 50% of the total IKI funding (based on the grant amount requested by the applicant or the funding amount for the contractor) must be implemented by actors classified as local organisations with relevant expertise related to the project objectives (see Annex 3:Classification as "local" organisations). The clear focus should be on cooperation on an equal footing with local consortium partners.
32		Appropriate distribution of roles and tasks	The roles and tasks within the consortium are clearly and appropriately assigned.
33		Appropriate budget allocation	The allocation of the total budget among the implementing organisations is appropriate, fair, sufficient to cover the costs incurred by all parties, and transparent.
Eligibility of the implementing organisations			
34		Technical qualifications and capacities of all implementing organisations	The lead organisation and consortium partners have the necessary technical and administrative qualifications as well as the management capacity to implement and coordinate the planned project activities.
35		Access to relevant stakeholders	The lead organisation clearly demonstrates direct access to project-relevant stakeholders in the partner country, including the local population such as IPLC, either directly or via the consortium partners.
36	!	Legal structure	The lead organisation and consortium partners have a suitable legal form and are therefore eligible for funding or financing.
Formal eligibility of the lead organisation			
37	!	Turnover criterion	The lead organisation meets the turnover criterion.
38	!	Expenditure-based accounting	The lead organisation accounts for the grant on an expenditure basis (applicable to organisations with headquarters in Germany).
Technical qualifications of the lead organisation			
39	!	Experience in international cooperation	The lead organisation has at least five years of experience in thematically relevant project implementation in ODA countries.
40		Regional expertise	The lead organisation has experience in the target region.

Annex 2: Cooperation agreement

One prerequisite for funding is the application as a consortium (i.e. an association of at least two organisations). The consortia must designate a lead organisation.

The lead organisation becomes the sole contracting or agreement partner of the IKI. It is the sole recipient of direct payments from the IKI and is responsible for the budgetary implementation of the project as well as its reporting system. A cooperation agreement must be concluded with all consortium partners and attached to the full proposal. As far as possible, the main features of the cooperation agreement should be agreed between the implementing organisations when the project outline is prepared. The agreement supplements the underlying arrangements for the funding between the consortium partners and may not contain any agreements or arrangements to the contrary.

The consortium partners maintain full responsibility for the cooperation agreement and should seek legal advice if necessary. The responsible federal ministry and the IKI Office at ZUG do not provide legal advice, assume liability, or review the content.

Before the funding decision, the implementing organisations must demonstrate that they have reached basic agreement on at least the following points:

- Lead organisation
- other implementing organisations (legal form, registered office, power of representation), duration, work plan, and clear division of tasks among the other implementing organisations

In addition, the following aspects should be coordinated within the framework of the cooperation agreement:

- Reporting and information obligations in the consortium
- Liability of the consortium partners
- Rights of use and copyrights
- Handling changes during the project duration
- Visibility of the consortium partners
- Procedures for resolving internal disputes (e.g. through mediation)

Annex 3: Local Action – Classification as "local" organisations

The following applies to local civil society, semi-governmental, and private sector organisations in the consortium or as contractors:

(1) Local organisations must have their own legal personality according to the respective national law in force in the partner country.

(2) Partner ministries are generally excluded from funding. IKI funding may not be used to finance government activities.

The following applies to national and regional offices of international civil society, semi-governmental, and private sector organisations:

(1) Offices must be registered in a partner country and pay taxes there.

(2) The national or regional office can make independent decisions and is largely independent of instructions from the "umbrella organisation" in operational planning and the use of project funds.

International organisations that do not meet these criteria cannot count their share of the project budget as Local Action even if local staff are employed by the project. National offices of international multilateral organisations (e.g. UN agencies, the GIZ, or the KfW), embassies of other countries, or the national offices of other bilateral donor countries therefore do not count as Local Action.

The following applies to regional organisations such as regional development banks and regional associations of states/economic communities:

(1) The organisation is based in a country in the region where the IKI project is implemented and focuses its activities on the partner countries.

(2) At least one of the partner countries is part of this region.

(3) National partner institutions are involved in the implementation at the country level.

(4) For banks and networks: Partner countries are members of the regional bank or network.

In justified exceptions, IKI projects may deviate from the target of 50%:

(1) In the spirit of promoting South–South exchange, an exception to the 50% rule may be made if organisations from the Global South that are not registered in the partner country or region implement a substantial share of the project budget.

(2) Projects may deviate from the 50% rule if they can plausibly demonstrate that specific country or sector contexts make the local action requirement impossible to meet or create a major obstacle to project effectiveness and implementation, or if other circumstances specific to the project justify a deviation.

Whether an exception is permissible will be decided on a case-by-case basis. Even in the case of exceptions, the local action share should be as high as possible.

For further information, see the IKI website: Local Action or Local Action FAQ. The FAQ also contains more detailed information on the independence of organisations from their "umbrella organisation".

Annex 4: Template for letter of support

Contact IKI
IKI Office
Zukunft – Umwelt – Gesellschaft (ZUG) gGmbH
Stresemannstraße 69–71
10963 Berlin
Germany

Template for Letter of Endorsement

Place, Date

Dear …,

the [*name of institution]*, represented by [*name of representative]*, hereby confirms its support of the project outline [“*project title*”] as submitted by the project consortium of [*names of implementing organisations]* for the ideas competition “Large Grants Call 2026” under the International Climate Initiative (IKI) of the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN) and the German Federal Foreign Office (AA).

We confirm that the objectives of the project outline are aligned with national policies and strategies, including the national commitments of the [*NDC/NBSAP/NAP*].

We understand that this letter neither represents any commitment to IKI funding nor gives rise to any legal entitlement. The decision on funding will be based on the review of a full project proposal and depends on the available budgetary allocations.

Given the above, we are pleased to confirm our support for this planned project if it is pre-selected for IKI funding and are willing to work closely with the consortium on its successful implementation.

Signature

Name of contact person

Position

Ministry

Annex 5: Provisions on the handling of emission mitigation credits in the IKI

The German Federal Government, through the IKI, strives at the global level for high integrity of carbon markets and for aligning them with the goals of the Paris Agreement. The German Government's position is that, in the use of international carbon markets, the interaction of market actors must be oriented towards the Paris Agreement goals so that markets contribute to a global increase in ambition and advance the necessary transformation towards net greenhouse gas (GHG) neutrality. For this, qualitative requirements must be met on both the supply and demand sides of the market.

As part of the IKI, the German Government supports the further development and piloting of market-based instruments under Article 6 of the Paris Agreement. This includes, in particular, activities to introduce and strengthen GHG pricing instruments and to promote the integrity of carbon market use within the framework set by Article 6. The Article 6.4 Paris Agreement Crediting Mechanism (PACM) serves as a quality benchmark for cooperation under Article 6.2 as well as for the voluntary carbon market (VCM) (cf. German Government position on the role of the voluntary carbon market).

IKI funds are intended to contribute to promoting quality and transparency in the carbon market, leveraging private capital to scale up IKI projects, and ensuring the financing of mitigation actions beyond the end of the project. Germany follows a capacity-building approach ranging from the development of policy frameworks to enabling transactions. Key areas of IKI support include the development of national Article 6 strategies to strengthen NDC implementation and increase ambition, as well as technical support, including the development of methodologies, strengthening of MRV systems, and improvement of governance structures.

To ensure a clear separation between **ODA-eligible climate finance and compliance markets for mitigation credits**[9], the following requirements must be met:

Preparatory measures

- IKI-funded projects may include **conceptual preparations**[10] and **capacity building** for mitigation activities under Article 6 – primarily under Article 6.4 – until carbon market projects reach financial close. However, the **technical implementation** of climate mitigation measures leading to internationally transferable and tradable mitigation outcomes (Internationally Transferred Mitigation Outcomes – ITMOs) must not be financed with IKI funds, but instead through external financing sources independent of IKI funding. The technical implementation may take place during the IKI project period or after the project has ended. This clear separation between preparatory measures and implementation ensures that internationally transferable mitigation outcomes are generated independently of IKI funding.

[9] This certifies a carbon removal or emission reduction (converted into the unit CO2 equivalent) compared with a set baseline.

[10] For example, methodology development, project design such as Mitigation Activity Design Documents (MADDs) and Mitigation Activity Idea Notes (MAINs), feasibility studies, and benefit-sharing mechanisms.

Seed funding

- **Seed funding**[11] for Article 6 pilot projects (i.e. technical implementation) is possible under the condition that mitigation credits generated through IKI funding are credited towards the host country's NDC as Mitigation Contribution Units (MCUs), thereby **contributing to the implementation of the NDC**.

Blended finance and revolving instruments

- This also applies to **blended finance approaches** in which IKI funds are combined with private finance (e.g. concessional loans, equity participation, or risk-sharing instruments such as first-loss models). In such cases, the share of mitigation credits corresponding to the IKI share of the total financing of the activity must be accounted towards the host country's NDC as MCUs.

- In the case of **revolving financial instruments**, the following applies: if emission reductions are achieved through IKI investment funds, resulting mitigation credits may be internationally transferred as ITMOs. This is conditional upon revenues from the sale of such credits flowing back into the fund and being fully reinvested into new mitigation projects (**upscaling**). For IKI funds to qualify as international climate finance, the emission reductions generated by the end of the IKI project and attributable to the original IKI funding must be accounted toward the host country's NDC as MCUs.

Climate mitigation projects in the voluntary carbon market

- The German Federal Government strives to have all international market activities of the VCM, wherever possible, registered under Article 6.4 PACM (international UN registry) to ensure transparency and quality in the global carbon market and drive transformation in the implementing countries. Carbon projects under the VCM may therefore only receive IKI funding if they are implemented **qualitatively equivalent to the requirements of the PACM (quality benchmark)**. In this context, the PACM implementation framework serves as the reference framework, particularly regarding standards, methodologies, tools, and verification.

- Except for the above-mentioned exceptions, **emission reductions generated through IKI funding must generally not generate internationally transferable and tradable mitigation credits (ITMOs) on the VCM**.

- Funding for mitigation measures, whose mitigation credits are transferred exclusively to national pricing systems (voluntary or mandatory) of the host country and that are not internationally transferable, is possible and desirable in order to support ambition raising beyond the country's NDC.

- Article 6.4 certificates representing a voluntary contribution to the achievement of the host country's NDC (MCUs) should be used, in addition to IKI financing, to mobilise private capital.

Climate mitigation projects including nature-based and technical carbon removals

- For the quality requirements of removal credits in the forestry and land-use sector, as well

[11] For example, this includes the introduction of costly or high-quality mitigation technologies, such as low-emission cooling technologies or technical removals, including Bioenergy with Carbon Capture and Storage (BECCS), which result in emission reductions and the generation of mitigation credits.

as for technical removals supported through IKI funding, the Article 6.4 Removal Standard is mandatory. Emission avoidance activities are currently not permitted under Article 6.4 (based on a CMA decision) and are therefore excluded from funding.

- Projects in the areas of agriculture, forestry, or land use must also comply with the **IKI environmental and social safeguards**. This includes requirements relating to sustainability and equitable social benefit sharing. In addition, relevant international standards, such as the Cancún Safeguards and corresponding reporting systems, must be applied. Furthermore, the Article 6.4 Sustainability Tool should serve as guidance for assessing environmental and social impacts.
- Projects should generate the highest possible benefits for biodiversity. Activities based on large-scale monocultures that are expected to have negative impacts on biodiversity, soil functions, water resources, or local communities are not eligible for funding. This applies in particular where non-native species are used or where sufficient ecological suitability cannot be demonstrated.